

University of Groningen

Just keep it simple

Bekkers, René; Crutzen, Olaf

Published in:
International Journal of Nonprofit and Voluntary Sector Marketing

DOI:
[10.1002/nvsm.293](https://doi.org/10.1002/nvsm.293)

IMPORTANT NOTE: You are advised to consult the publisher's version (publisher's PDF) if you wish to cite from it. Please check the document version below.

Document Version
Publisher's PDF, also known as Version of record

Publication date:
2007

[Link to publication in University of Groningen/UMCG research database](#)

Citation for published version (APA):
Bekkers, R., & Crutzen, O. (2007). Just keep it simple: a field experiment on fundraising letters.
International Journal of Nonprofit and Voluntary Sector Marketing, 12(4). <https://doi.org/10.1002/nvsm.293>

Copyright

Other than for strictly personal use, it is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), unless the work is under an open content license (like Creative Commons).

The publication may also be distributed here under the terms of Article 25fa of the Dutch Copyright Act, indicated by the "Taverne" license. More information can be found on the University of Groningen website: <https://www.rug.nl/library/open-access/self-archiving-pure/taverne-amendment>.

Take-down policy

If you believe that this document breaches copyright please contact us providing details, and we will remove access to the work immediately and investigate your claim.

Downloaded from the University of Groningen/UMCG research database (Pure): <http://www.rug.nl/research/portal>. For technical reasons the number of authors shown on this cover page is limited to 10 maximum.

Just keep it simple: a field experiment on fundraising letters

René Bekkers^{1,2*} and Olaf Crutzen³

¹ICS/Department of Sociology, Utrecht University, The Netherlands

²Department of Philanthropy, Vrije Universiteit Amsterdam, The Netherlands

³Energie: direct, The Netherlands

- *This paper studies how the use of a colour picture in fundraising letters affect response rates and the amount donated in a fundraising campaign. Envelopes, with a full colour picture were tested against envelopes, without a picture in a controlled field experiment at a national religious charity in the Netherlands. Letters (89 937) were sent out to planned as well as incidental donors in four experimental groups. Results show that packages with more graphics yield lower donations, because both response rates are lower and the amount donated per letter is lower. We interpret this finding from donor aversion against high fundraising costs.*

Copyright © 2007 John Wiley & Sons, Ltd.

Increasing donations in response to direct mail fundraising solicitations

Direct mail is an important tool for nonprofit organisations in fundraising. However, direct mail fundraising campaigns typically have low response rates. The automatic response among many potential donors to advertising materials is to throw them away immediately (Diamond and Noble, 2001). For a nonprofit organisation using direct mail solicitations, the first step to get a potential donor to give, is to have her open the envelope containing the solicitation. How can nonprofits avoid this and attract the attention from potential donors?

Diamond and Gooding-Williams (2002) develop a theory from consumer research to answer this question. The basic argument of the theory is that nonprofits, using more attractively designed envelopes, more easily attract the attention of potential donors and are more likely to get them to open the envelope. We call this the '*attractiveness hypothesis*'. Diamond and Gooding-Williams (2002) find evidence for the attractiveness hypothesis in a survey among 166 donors to a homeless shelter who received different versions of a fundraising package for another charity. The respondents were more likely to report intentions to open the envelope, when the envelope was rated as more attractive. In turn, the intention to open the envelope generated a positive attitude towards the charity and this attitude increased the intention to donate. The relationships of attention and envelope characteristics, with the intention to open the envelope were

*Correspondence to: René Bekkers, ICS/Department of Sociology, Faculty of Social Sciences, Utrecht University, Heidelberglaan 2, 3584 CS Utrecht, The Netherlands.
E-mail: r.bekkers@fss.uu.nl

most pronounced for acquisition donors and were less pronounced on renewal donors. This makes sense because renewal donors have a stronger involvement with the cause and are, therefore, less likely to pay attention to peripheral characteristics of the appeal.

However, the validity of the results reported by Diamond and Gooding-Williams is limited in several respects. First, the respondents indicated their intention to donate. Actual donation behaviour was not studied. Second, the sample was small and selective. Strictly speaking, the results can only be generalised to those among a group of homeless shelter donors who responded to the survey. It is hard to tell whether the results hold for the group of 223 donors who did not complete the survey, let alone to potential donors in general.

While the results of the study by Diamond and Gooding-Williams are in line with the attractiveness hypothesis, they are not in line with the experience of fundraising consultants. Mal Warwick, a consultant on the design of fundraising letters, reported 23 tests of design elements on outer envelopes used in donor acquisition mailings by fundraising nonprofit organisations in the United States. While the relationships of envelope characteristics, with the intention to open the envelope, reported by Diamond and Gooding-Williams were most pronounced among acquisition donors, Warwick found no effect of various types of envelope design elements in 19 cases, a positive effect (of a large rather than a small envelope) in only one case and a negative effect of additional design in three cases (Warwick, 2003: 123–131). In response to the question whether colour pictures make a difference in fundraising materials, Warwick (personal communication, January 22, 2005) said: 'I'm well aware that colour and photography are extensively used by many nonprofit mailers, who swear that their results are enhanced. I've seen that happen only once, however. Every other time I've tested bold graphic elements on fundraising mail, it has lowered, not raised, the response.' Several fundraisers in a recent study in the *Non Profit Times* (Causer, 2005) agree. Susan Loth, director of fundraising at Disabled American Veterans

said: 'We've found that just keeping it simple and low key on the elements of the package that are not the premium, works better for us.'

The experience of fundraisers suggests that including colour and photographs in fundraising materials is not necessarily more effective than a plain envelope in a direct mail fundraising campaign. Recent studies on confidence in charitable organisations provide good arguments, why the use of graphic design elements in fundraising materials may not always be effective. Among many other things, an important aspect of nonprofits that donors take into account, when deciding about donating is the effectiveness of their donation (Bekkers, 2004). Donors want their money to make a difference for the cause they are supporting. Therefore, donors will shy away from nonprofits that work inefficiently, are known to pay overly generous salaries to their employees or spend high amounts on fundraising costs. In an experiment with the Chicago Area Combined Federal Campaign, Bowman (2006) found that donors give less to charities with higher overhead costs. In a US focus group study, donors reported disdain for highly polished direct mail campaigns, as examples of charities acting like businesses trying to sell things to people (Arumi *et al.*, 2005). Two large survey studies in The Netherlands found that confidence in charities is lower among those who believe that costs made for fundraising are higher (Bekkers, 2003, 2006). Direct mail appeals in full colour will give potential donors the impression that the costs of these appeals are high. Appeals that seem to be more expensive will lower the confidence of potential donors. Potential donors who think that a charity is raising money at a higher cost will give less often and will give a smaller amount, even when they do open the envelope. The use of a colour picture on the outer envelope should lower the response and the amount donated.

From this line of reasoning, we also hypothesise that the negative effect of perceived fundraising costs varies between donors, with varying levels of confidence in charities. Among potential donors whose confidence

in charities is low and volatile, the negative effect of perceived fundraising costs will be stronger than among donors who have a high level of confidence. Donors with a high level of confidence will think that the charity has good reasons to use more expensive fundraising materials. We expect that colour design has a more pronounced negative effect in the group of incidental donors, because this group has a lower level of confidence in the charity. Expensive packaging may compromise confidence in this group more easily than in the group of planned donors, with a higher level of commitment to the charity.

Data and methods

Participants

Participants in the present experiment were drawn from the database of a religious charity in The Netherlands called 'Kerkinactie' ('Church in action', see <http://www.kerkinactie.nl>). Kerkinactie is officially related to the Protestant Church in the Netherlands, a recent merger of the Netherlands Reformed Church (Nederlands Hervormde Kerk), Rereformed Churches in The Netherlands (Gereformeerde Kerken in Nederland), the Lutheran Church, as well as some smaller congregations. The Protestant Church in The Netherlands has about 2.5 million registered members. About 15% of the Dutch population is a member of this church (15% reports Catholic affiliation, 5% reports other affiliation and 65% reports no religious affiliation). Kerkinactie is mainly active in poverty relief, education and health care provision in developing countries. The present appeal benefited a number of projects in Rwanda and was sent out in the 40 days period before Easter in 2004.

The Kerkinactie database distinguishes two groups of donors. A first group of *planned donors* consists of approximately 14 000 donors who had agreed to a request in the past to make planned gifts to Kerkinactie (a fixed amount per year) and donated at least once in the past 24 months. A much larger group of 76 000 donors does not make planned donations, but made at least one donation in

the past 24 months. We call this group *incidental donors*. Part of this group declined or ignored a request for planned giving. Because all recipients donated to Kerkinactie at least once in the past 24 months and the envelope displayed the name of the organisation as well as the campaign, it is likely that the recipients knew the envelope contained a fundraising appeal.

Design and materials

All materials were on printed on recycled paper. The envelope had the name of the organisation printed on the outside. The campaign was identified with the sentence 'Ruanda is divided... We can help with reconciliation'. Included in the envelope were a letter signed by the Director of communication and fundraising, a four-page full colour newsletter and a return envelope.

We tested the effect of a colour picture on the outside of the envelope. The picture was printed on the right hand part of the envelope and covered about 40% of the envelope. The picture showed three children from a Ruandese village, holding hands in a circle. In line with the campaign's main message, the picture was made to look like being torn in two pieces and put back together with tape.

Among both planned and incidental donors, we tested a package, with the colour picture against a package without such a picture (see **Table 1**). Because the marketing agency that developed the fundraising campaign believed that the picture would work well, the majority of donors were placed in the picture conditions.

Table 1. Experimental design

	Group 1	Group 2	Group 3	Group 4
Name	NPI	PI	NPP	PP
Full colour picture	No	Yes	No	Yes
Planned donor	No	No	Yes	Yes
<i>N</i>	9738	66 433	4892	8874

NPI: No picture, incidental donor; PI: Picture, incidental donor; NPP: No picture, planned donor; PP: picture, planned donor.

Incidental (10 000) donors and 5000 planned donors were randomly selected from the database and placed in the no-picture conditions. A small portion of the names drawn from the database belonged to institutional donors, firms and media organisations and was excluded. The effective sample size was 89 937.

Measures

We have two dependent variables in our analyses: whether or not recipients made a donation, in response to the fundraising campaign (dichotomous variable, 0 if no, 1 if yes) and the amount donated (in €). We log-transformed the amounts to reduce non-normality. From the donor database, we had almost complete data available on a number of variables related to donor history: *Donation years* (the natural log of the number of years that donors had made gifts); *Number of previous donations* (the number of donations made in the previous 24 months); *Size of previous donations* (the total amount donated in the previous 24 months); *Average donation* (total amount donated divided by the number of donations). We log-transformed the donor history variables to reduce nonnormality. For a subsample who had submitted personal information, we also had data on a number of socio-demographic characteristics. We created variables for age, age squared, gender and religious affiliation. For donors who had not provided information on these variables, we created dummy variables.

Analytical strategy

First, we present the response rates and average contributions in the four conditions (see **Table 3**). Then, we present results of multivariate regression analyses of the likelihood of response and the size of the contribution in the experiment. The data are analyzed only for incidental donors, because we hypothesise that donors with a higher level of confidence are less responsive to high fundraising costs. If this hypothesis is correct,

we should observe a more pronounced effect of the picture in the group of incidental donors, because they can be assumed to have less confidence in the organisation than planned donors. We present two regression models. In the first model, we test the effect of the full colour picture on the envelope, taking donor history and a few donor characteristics into account. In the second model, we include interactions between the number of donations in the previous 24 months, gender, age, religious affiliation and the picture condition to test whether the picture yielded different effects among specific groups of donors. Because the effect of the picture on the probability of giving may differ from the effect on the amount donated, the regression analyses are based on a Heckman two-stage selection model (Heckman, 1979). Ordinary least squares regression models of the amount donated lead to parameter estimates that are biased towards zero (Smith *et al.*, 1995). The Heckman model generates separate parameter estimates for effects of independent variables on two different outcomes. In the first stage, the probability of observing a positive outcome is the dependent variable. In our case, that is the observation of a donation, in response to the fundraising campaign. In the second stage, the amount donated is the dependent variable. In order to avoid identification problems, the selection equation includes somewhat different variables (number of previous donations and amount previously donated) than the amount equation (average previous donation).

Results

Remember that the attractiveness hypothesis predicts that the package with the full colour picture yields a higher response rate. In contrast, a negative effect of the picture on the response rate, as well as on the amount donated can be expected from the hypothesis that donors desire low fundraising costs.

Table 2 presents response rates and amounts donated in the four experimental groups. The results support the plain envelope

Table 2. Response rates and amounts donated in experimental groups

	Incidental donors		Planned donors	
	No picture	Picture	No picture	Picture
Response rate (%)	20.10	17.52	16.86	15.95
Average donation (€ per donor)	17.01	16.04	22.73	22.78
Log donation (per donor)	2.42	2.34	2.63	2.63
Average donation (per recipient)	3.42	2.81	3.83	3.63

hypothesis. In the group of incidental donors, the response rate was more than 2.5% higher in the no picture condition than in the picture condition. In addition, the average donation per donor was also higher in the no picture

condition. The difference was 97 cents per donor. As a result, the no picture condition yielded 61 cents more per letter sent out than the picture condition. If we multiply this difference with the number of letters sent out

Table 3. Two-stage regression analysis of donations among incidental donors ($n = 75\,965$)

	Model 1						Model 2					
	Selection			Amount			Selection			Amount		
	<i>b</i>	se	<i>p</i>	<i>b</i>	se	<i>p</i>	<i>b</i>	se	<i>p</i>	<i>b</i>	se	<i>p</i>
Colour picture	-0.059	0.017	***	-0.023	0.011	*	0.201	0.125		0.051	0.086	
Female	0.012	0.015		-0.024	0.010	*	-0.049	0.037		-0.029	0.024	
Gender unknown	-0.050	0.014	***	-0.025	0.010	*	-0.051	0.014	***	-0.025	0.010	*
Merged protestant	0.073	0.026	**	0.055	0.017	***	0.143	0.049	**	0.085	0.031	**
Reformed	0.047	0.025	†	0.037	0.016	*	0.070	0.043		0.050	0.026	†
Rereformed	-0.034	0.035		0.016	0.022		-0.072	0.092		-0.002	0.060	
Lutheran	0.087	0.060		0.071	0.047		0.165	0.145		0.130	0.102	
Age	0.006	0.004		-0.000	0.003		0.008	0.004	†	-0.000	0.003	
Age squared (1000×)	-0.037	0.032		0.002	0.023		-0.036	0.032		0.002	0.023	
Age missing	0.008	0.026		0.001	0.017		0.008	0.026		0.001	0.017	
Number of previous donations	0.841	0.011	***				0.866	0.021	***			
Amount previous donations	-0.050	0.007	***				-0.026	0.019				
Average previous donation				0.864	0.007	***				0.888	0.016	***
P × Female							0.041	0.039		0.006	0.025	
P × Age							-0.002	0.002		-0.000	0.001	
P × Merged protestant							-0.080	0.049	†	-0.035	0.031	
P × Reformed							-0.027	0.040		-0.015	0.024	
P × Rereformed							0.048	0.100		0.021	0.064	
P × Lutheran							-0.090	0.155		-0.070	0.112	
P × Number of previous donations							-0.026	0.021				
P × Amount previous donations							-0.011	0.003	***			
P × Average previous donation										-0.027	0.018	
Constant	-1.999	0.129	***	0.088	0.099		-2.246	0.171	***	0.024	0.123	
Wald Chi Square (df)	15 766 (11)			***			16 051 (18)					
Log likelihood	-37 387						-37 374					
Rho (se)	-0.546 (0.020)			***			0.547 (0.020)			***		

* $p < 0.01$; ** $p < 0.05$; *** $p < 0.001$; † $p < 0.10$.

in this condition, we find that the use of the picture among incidental donors lowered giving with some €40 500. The picture had little effect among the group of planned donors, although the effects of the picture are in the same direction as among incidental donors. The response rate among planned donors in the no picture condition was 0.9% higher, while the average donation per donor was virtually the same. As a result, the average donation per letter sent out was 20 cents higher in the no picture condition. In total, the picture lowered giving among planned donors with about €1800.

The regression analyses confirm the conclusions drawn above. Model 1 of Table 3 shows a significantly negative effect of the picture condition in the first (selection) stage of the regression analysis, indicating that the picture decreased the response rate among incidental donors. We also observe a negative effect of the picture condition on the amount donated in the second stage, indicating that the picture also lowered the amount donated among those who donated. Because donor characteristics are included in these analyses differences in the composition of the incidental and planned donor groups cannot explain the effects of the picture. A similar analysis among planned donors revealed no significant effects of the picture on either the likelihood of donating or the amount donated. Neither did the effect of the picture differ between specific groups of donors.

The regression analyses also reveal that the campaign was more successful among those who self-identify as members of the merged Protestant church and those who had donated higher amounts in the past 24 months. Those who self-identify as members of the merged Protestant church probably felt more responsible to donate, because Kerkinactie is a joint effort of members from originally separate Protestant churches. The finding that females are more likely to give, but give smaller amounts is in line with previous research (CAF/NCVO, 2005). The effect of past donations reflects the stability in donations:

those who donated in the past, will donate again.

The regression analyses also provide additional insights on which groups of donors are most strongly responsive to the picture. Model 2 of Table 3 shows that the picture decreased response rates only among donors who self-identified as members of the merged Protestant Church and those who donated higher amounts in the past. These findings present a potential anomaly to our expectations. We reasoned that negative effects of the picture would be most prominent among less involved donors. Among incidental donors, however, the picture had a more negative effect on more involved donors. Although it is difficult to explain this pattern of results, it is possible that these donors are a more critical group. Donors who made regular contributions, but ignored or declined a request for planned giving may decide on donations on an individual basis and pay more attention to any appeal. Note that the main effect of the picture condition is reduced to nonsignificance in this model. This suggests that the lower donations among merged Protestants and more generous donors, in response to the fundraising package with the picture are the reason that the picture condition generated less money. Among planned donors, the picture did not have different effects among groups of donors with different characteristics (results available upon request). The picture simply did not affect the response rate or the amount donated among those making planned donations to Kerkinactie.

Conclusion and discussion

The results clearly confirmed our expectation that showing restraint in the design of direct mail appeals in a fundraising campaign would yield a higher response rate and higher donations. We hypothesised that using pictures lowers donations, because donors are less likely to have confidence in charities that use more expensive fundraising methods. We

found mixed support for this line of reasoning. A finding that supports this interpretation is that the negative effects of the picture were more pronounced among the group of incidental donors, who can be assumed to have a lower level of confidence in the charity that is more easily compromised. A finding that seems to speak against this interpretation is that among incidental donors, the picture had more negative effects among donors who had donated higher amounts in the past. Perhaps this result reflects a more critical attitude towards the organisation.

We cannot prove that the negative effect of the picture is, in fact, due to aversion against high fundraising costs among donors, because we do not have direct a measure of perceived fundraising costs. However, we do know from previous studies that when donors perceive fundraising costs made by charities to be higher, they have less confidence in charities and are less likely to donate money to charities (Bekkers, 2003, 2006).

On the other hand, the present study does not necessarily reject the attractiveness hypothesis. It is possible that in the pile of colourful advertising materials that an average household receives in its mailbox, the plain envelope actually caught the attention of donors and was more attractive, because it was *not* colourful. Among donors that care about (low) overhead costs, less colour should be more attractive.

Alternative explanations for the negative effect of the picture may be given from a psychological perspective. Perhaps the picture was 'bad'. Sometimes pictures of poor and needy recipients lead donors to feel that they are made to feel guilty, in order to increase donations (Isen and Noonberg, 1979). Psychological studies have found that people who feel that their freedom to choose an action is threatened, for instance, through persuasive communications, often generate reactance (Brehm, 1966). As a result, appeals may backfire into refusals. While the children on the picture did not appear very needy or in great misery, they were not happy either. The picture may have failed to induce positive

feelings that are conducive to donation (Isen and Noonberg, 1979).

A further limitation of the results of the present experiment is that they concern a specific group (i.e. 89 937 Protestants who have donated to 'Kerk in Actie', at least once in the previous 24 months). While this group is small, it is a very important group of donors in The Netherlands. Protestants donate large amounts, also to secular charities. They give four to seven times more than the nonreligious (Bekkers, 2003). Protestants may be more strongly responsive to fundraising costs than the average Dutch citizen. While Protestants do not differ from other groups in the degree of irritation about the number of fundraising appeals they receive, perceived costs of fundraising seem to have more negative effects on donations to religious charities than to secular charities (Bekkers, 2006). Therefore, our results may be limited to religious charities.

Another potential limitation is that the present study was done in The Netherlands. The number of direct mail appeals, received annually by donors in The Netherlands is relatively low, with an average of 11 per year (Bekkers, 2005). In addition, The Netherlands have strict laws on direct mail activities. Consumers can put up a sticker at their mailbox that blocks untargeted mail and they can register their address in a database that blocks direct mail. It could be that Dutch consumers are paying more attention to their mail than American consumers, because the Dutch receive less unwanted mail. Therefore, it would be good to replicate the present study in other countries.

Despite these limitations, we believe that a more safe advice to fundraisers is to start with a plain envelope, and test a package with more graphics among a randomly chosen but small subgroup of donors to see whether this package performs better.

Acknowledgements

The present experiment was conducted, in cooperation with the fundraising department

of KerkinActie, where the second author was employed at the time of study. We thank Jan van Doggenaar, the former director of Kerkinactie, and the others at the office for their cooperation and openness to suggestions. We thank the editor and two anonymous reviewers for the *International Journal of Nonprofit and Voluntary Sector Marketing* for helpful suggestions.

Biographical notes

René Bekkers is an Assistant Professor at ICS/ Department of Sociology, Utrecht University, The Netherlands. He received the 2005 Gabriel G. Rudney Memorial Award for Outstanding Doctoral Dissertation of the Association for Research on Nonprofit and Voluntary Action (ARNOVA) for his Ph.D. dissertation 'Giving and Volunteering in The Netherlands: Sociological and Psychological Perspectives'. In his current research, he studies the effects of the level of education, social evaluations and expectations about prosocial behaviour by others on philanthropy in field experiments and survey data.

Olaf Crutzen was a data-analyst at Kerkinactie when the present study was conducted. Currently, he is employed at Energie:direct as a data-analyst.

References

- Arumi AM, Wooden R, Johnson J, Farkas S, Duffett A, Ott A. 2005. *The Charitable Impulse*. Public Agenda: New York.
- Bekkers R. 2003. Trust, accreditation and philanthropy in the Netherlands. *Nonprofit & Voluntary Sector Quarterly* 32(4): 596-615.
- Bekkers R. 2004. *Giving and Volunteering in the Netherlands: Sociological and Psychological Perspectives*. Ph.D. Dissertation. Utrecht University.
- Bekkers R. 2005. 'Nee heb je, ja kun je krijgen': de effectiviteit van fondsenwervings- en rekruteringsstrategieën van maatschappelijke organisaties. In *Burgers in de buurt: Samenleven in school, wijk en vereniging*, Völker B (ed.). Amsterdam University Press: Amsterdam; 129-152.
- Bekkers R. 2006. Keeping the faith: Origins of confidence in charitable organizations and its consequences for philanthropy. Paper prepared for the NCVO/VSSN Researching the Voluntary Sector Conference 2006.
- Bowman W. 2006. Should donors care about overhead costs? Do they care? *Nonprofit and Voluntary Sector Quarterly* 35(2): 288-310.
- Brehm JW. 1966. *A Theory of Psychological Reactance*. Academic Press: New York.
- CAF/NCVO. 2005. *UK Giving 2004/05. Results of the 2004/05 survey of individual charitable giving in the UK*. CAF/NCVO: London.
- Causser C. 2005. Shades of gray. *The Non Profit Times* 19(24): 1-4.
- Diamond WD, Gooding-Williams S. 2002. Using advertising constructs and methods to understand direct mail fundraising appeals. *Nonprofit Management & Leadership* 12(3): 225-242.
- Diamond WD, Noble SM. 2001. Defensive responses to charitable direct mail solicitations. *Journal of Interactive Marketing* 15(3): 2-12.
- Heckman J. 1979. Sample selection bias as specification error. *Econometrica* 47: 153-162.
- Isen AM, Noonberg A. 1979. The effect of photographs of the handicapped on donation to charity: when a thousand words may be too much. *Journal of Applied Social Psychology* 9: 426-431.
- Smith VH, Kehoe MR, Cremer ME. 1995. The private provision of public goods: altruism and voluntary giving. *Journal of Public Economics* 58: 107-126.
- Warwick M. 2003. *Testing, Testing, 1,2,3*. Jossey-Bass: San Francisco.